



To: Municipal and School Officials

From: Joseph J. Chessey, Jr., Deputy Commissioner, Division of Local Services

Date: December 6, 2001

Subject: FY2002 Chapter 70 Increments in the Final State Budget

The purpose of this memorandum is to explain the provisions of section 3 of Chapter 177 of the Acts of 2001 (the FY2002 state budget) concerning the additional Chapter 70 aid recently appropriated in the final state budget. This section stipulates that the amount of Chapter 70 aid in excess of the amount appearing in the Governor's FY2002 budget proposal shall be made available to the school committee following a vote of the local appropriating authority as defined in MGL Chapter 59, §21C. In section 21C, the local appropriating authority is defined as the board of selectmen in a town; as the city council, with the approval of the mayor when required by law, in a city; and as the town council in municipalities having a town council form of government. The Chapter 70 increments are shown on the Department of Education's (DOE's) Web site:

http://finance1.doe.mass.edu/chapter70/chapter_02f_increment.html. Final net school spending and minimum contribution requirements are also posted on DOE's Web site: http://finance1.doe.mass.edu/chapter70/chapter_02f.html.

The local approval process is initiated by a request from the school committee to make the additional funds available for schools without further appropriation. In a town, the finance or advisory committee then makes its recommendation, if any, on the use of the additional funds. Finally, the local appropriating authority, by majority vote, decides whether or not to treat these funds as available to the school committee without appropriation. In a city, the school committee request should be made to the city council. Upon approval by a majority of the city council, and with the mayor's approval if required by law, the funds shall be made available to be spent by the school committee. A sample vote is attached.

If the city council, town council or board of selectmen vote to make the funds available to the local school committee as provided above, the amount of the vote should be included on the FY2002 tax rate recapitulation on page 2, line 11b.5, Total cherry sheet offsets. A copy of the vote of the council or selectmen should be submitted with the tax recap. The city auditor or town accountant should record this vote in the general ledger as if it were appropriated based on the authority of Chapter 177, section 3 of the Acts of 2001. If you have any questions, please contact your Bureau of Accounts field representative.

For regional school districts, the district school committee should submit its request to make the funds available for expenditure to the selectmen, city council or town council of each of the member municipalities. After a recommendation of the local finance or advisory committee, if any, the selectmen, city council or town council in each member municipality must vote in the same manner described above. If two-thirds of the member municipalities vote to allow the regional school committee to increase the budget, then the district school committee may spend the additional funds.

Sample vote

Such a vote should read substantially as follows:

That the city / town of _____ vote to provide additional funds of \$ _____ to the school committee for expenditure, in addition to the appropriation voted on _____, 2001 of \$ _____, the increase representing additional Chapter 70 aid, so-called, in the final Cherry Sheets for FY2002, this vote taken pursuant to provisions of Chapter 177 § 3 of the Acts of 2001.